Michael Stephens/WHQ/HUDOIG
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To OIG SENIOR EXECUTIVES
cc kdonohue@hudoig.gov
bcc
Subject New hiring freeze

Due to new information provided by OMAP and the proposed new pay raise of 3.5% for '05 coming out of hide, difficult decisions must be made. OMAP budget specialists will be contacting you in the near future to discuss your operating budgets and where cuts might be practical. Mr. Donohue has decided that it is extremely important not to target areas where our mission will be impacted negatively. In other words, we still need operational funds to travel and achieve our expected goals. We have already identified cuts to programs over and above operational funds such as IT and other administrative areas.

We believe with a new hiring freeze we will achieve a FTE level that will give us the flexibility needed and enter '05 well prepared. If we do this gradually thru attrition, we will avoid potential RIF's in '05. A costly buy out plan is not an option at this time.

Our projected deficit in '05 is $6, 580,530.

I am not prepared to announce a desired FTE level until the analysis of your operational budgets are finished but it is likely to be approximately 634. Currently we are approximately 660 with 6 months before the end of the fiscal year.

I also realize that some vacancy announcements are out and interviewing of applicants is under way. Please meet with me to review these vacancies and we will decide on a case by case basis our course of action.

Thank You